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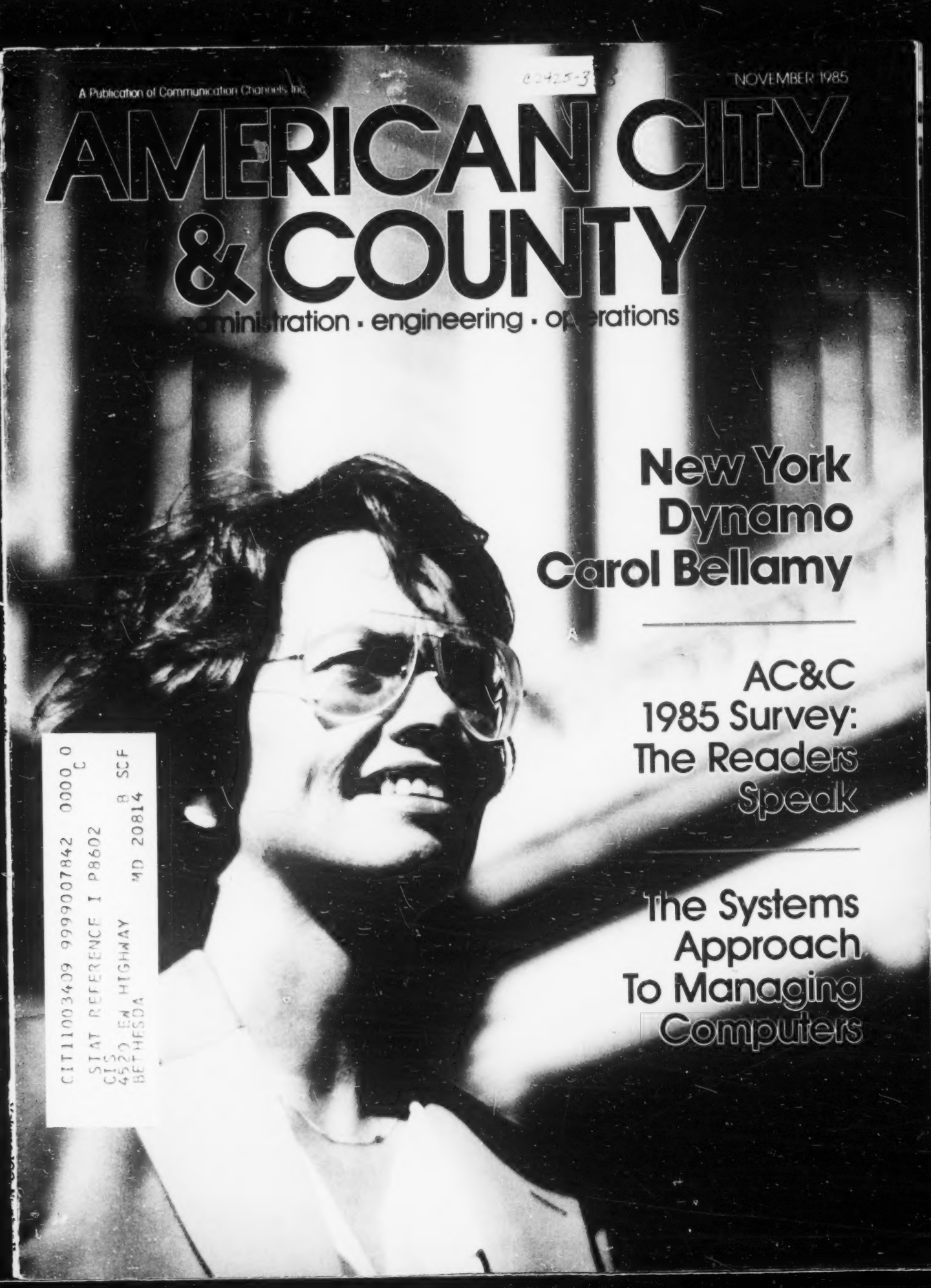

New York Dynamo Carol Bellamy

AC&C 1985 Survey: The Readers Speak

The Systems Approach To Managing Computers

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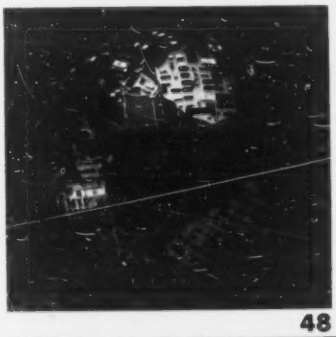

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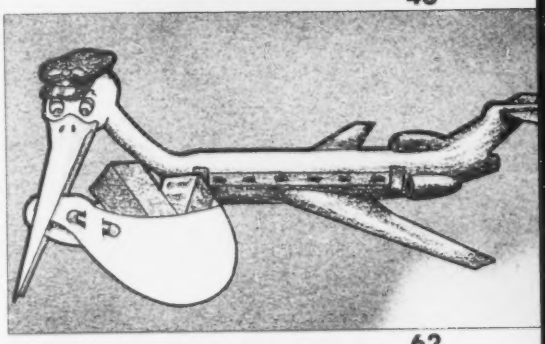

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About the Cover

As president of the City Council of New York City, Carol Bellamy has the largest constituency of any woman in local government. In this month's "Profile of a Leader" on page 42, she discusses the challenges and needs of city and county officials. (Photo by Thomas Toma of New York City)

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Survey Spotlights Tax Reform Plan

Eliminating local and state tax deductibility and cutting federal spending for domestic programs are prime concerns expressed in *American City & County's* annual survey of local public officials.

By Harriet Trevas, Editorial Assistant

"It's double taxation." "It's taxation on taxes." "It's a ravishing of city and state revenues." "It" is President Reagan's proposal in his current tax reform package to eliminate the deduction for state and local taxes, and "it" is the question receiving the strongest response in *American City & County's* 1985 "Survey of Issues and Trends."

The survey on topics of concern to local governments was sent to a random sample of 1,000 high-level public officials; 269 mayors, city and county managers, and other top administrators from all over the country responded, with by far the greatest number responding from the Midwest (37.3 percent), followed by the Southeast (14.9 percent). Based on size, cities and counties with populations of fewer than 10,000 registered the greatest response.

Nearly 84 percent of the responses came from cities with fewer than 50,000 population, but no significant differences in opinion can be found based solely on population size. More differences are noted based on geographical location. The survey consists of nine questions about issues that have cropped up again and again during the last year — issues that have yet to be resolved and that have a significant impact on all Americans. Space was provided for comments, and many officials took the opportunity to express their views in strong, definitive terms.

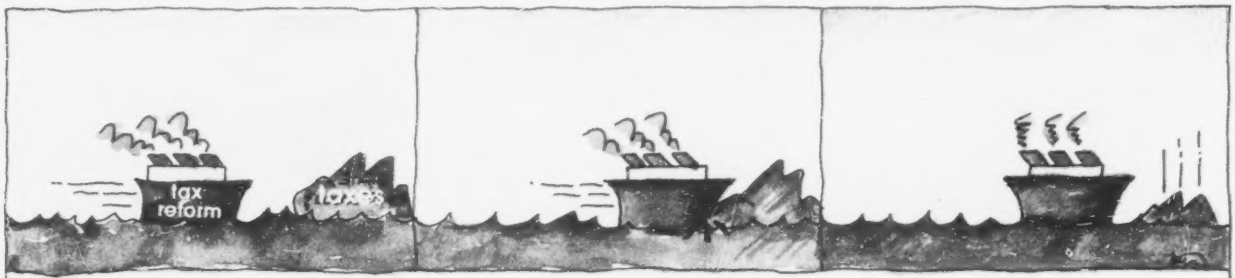
The greatest response was to the question of President Reagan's proposed elimination of the deduction for state and local taxes. A resounding "no" was voiced by more than 78 percent of the respondents, with only 14.9 percent answering "yes," and 6.7 percent with no opinion.

"More taxation will be coming for taxpayers on local levels as the federal government puts more responsibility locally. Taxpayers should not be penalized twice," says Mayor Stan Agler of Van Wert, Ohio.

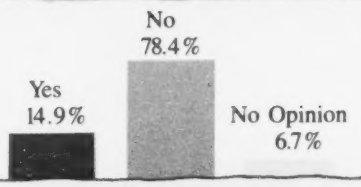
Richard J. Porth, assistant business administrator of Trenton, New Jersey, says the proposal would be "anathema to local and state governments and would make our tax system more regressive by shifting more burden on local and state taxes."

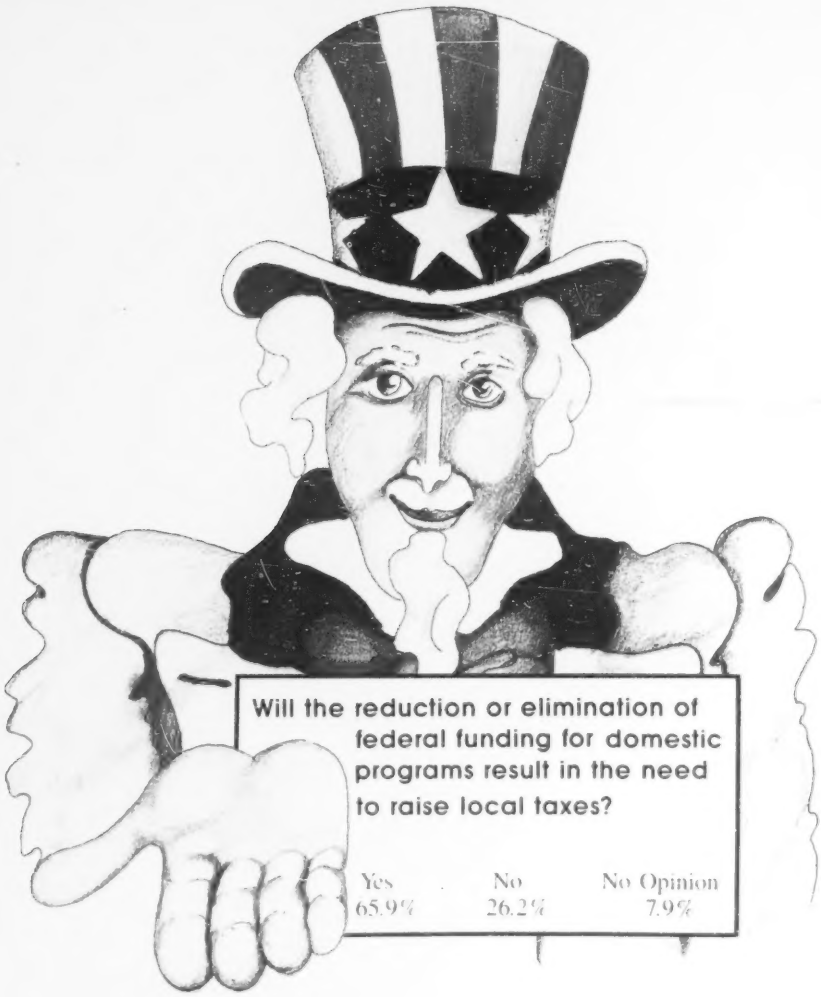
On the other hand, a few local officials see eliminating deductibility as a necessary step to reduce the federal deficit. David Robinson, mayor of Dyer, Tennessee, states, "This would amount to a tax increase, which could help reduce the deficit," although the president has denied that this is a revenue-enhancing measure.

However, the National League of Cities, which maintains that cities are



President Reagan's current tax reform package would eliminate the deduction for state and local taxes. Are you in favor of this change?




Will the reduction or elimination of federal funding for domestic programs result in the need to raise local taxes?
Yes 65.9%
No 26.2%
No Opinion 7.9%

being asked to bear the brunt of reductions in federal spending, says that any tax reforms that are implemented should be directly tied to reduction of the federal deficit. In the survey, with strong opposition from all geographical areas and at all population levels, some interesting differences still emerge. Unanimous opposition is expressed in the northeastern states, with a 37-0 vote against, and the closest vote was in the Southeast, with 12 in favor of the proposal and 25 against.

As might be expected, local government officials recommend that the federal deficit be reduced by cutting defense spending instead of domestic programs. Numerous fingers point at excessive waste at the federal level, particularly at the Pentagon.

Mayor James Cowles of Bay Village, Ohio, claims the defense budget is "like cancer, it keeps growing." Another mayor notes that as a member of the Army Reserve, he is able to observe much of the waste firsthand.

Obviously in reference to the highly publicized $400 hammers and $1,200 coffeepots, Mayor Robert E. Buchanan of Clarksville, Virginia, recommends, "Do away with the spending for items that are priced out of reason."

Mayor James Deane of Maple Grove, Minnesota, says, "Efforts must be made to end corrupt spending practices."

And city clerk Betty Dory of Anita, Iowa, says, "Waste in the armed forces and other places in government is out of hand." Many officials qualify their responses by emphasizing that they view national security as a priority, but that it would not be harmed by more prudent use of defense dollars. Some, like Anne Rudin, mayor of Sacramento, California, stress a "distinction between defense spending and military spending," and that it is military spending that should be reduced.

In the search for places to cut federal spending, foreign aid is a frequently mentioned target. Lorna Kesterson, mayor of Henderson, Nevada, replies bluntly: "Cut funding to other countries who do not appreciate it anyway."

Others agree. Bruce Cook, mayor of Middlefield, Ohio, says, "Cut back on financing the rest of the world and put money back into this great country."

And Susan Jacobs, city clerk of Peabody, Kansas, says, "The federal government need not spend so much money on foreign aid. We need to help ourselves first."

An across-the-board approach is suggested by many who say the deficit can be reduced simply by curtailing government waste and inefficiency and instituting better control and management practices. Mayor Gerald C. Lett of Angola, Indiana, urges the federal government to "get its act together to be able to work within available resources, as local governments must do."

Some public officials are more methodical. "Cut all programs 5 percent. Cut all subsidies that artificially keep up prices," advises Mayor Pete Chalos of Terre Haute, Indiana.

Mayor Robert E. Millett of Rock Island, Illinois, suggests that after attaining economy in government by eliminating "waste and duplication, by increasing government efficiency, we could substantially reduce the deficit. Then we could see if any other steps are needed."

City Manager D.K. Robinson of Silverton, Oregon, advises: "Reduce waste in existing programs; adopt across-the-board, hold-the-line budgets for two or three years. Give provisional authority to the president to line-item veto."

Others are quite willing to go along with reductions in domestic spending. Substantial revisions in Social Security and entitlement programs are urged. "The idea of Social Security as a right rather than as a need is no longer supportable," declares Karen P. Merrick, mayor of Guttenberg, Iowa.

One response chides *American City & County* for the wording of the question: "*You* assume domestic programs should not be the area of focus (for cuts). *We* do not," says N.L. Wolke, city administrator of Urbana, Ohio.

Mayor J.L. Tomlinson of Grand Blanc, Michigan, adds that he is "not in agreement with the premise in question. Congress has to 'bite the bullet' and get rid of the 'Great Society' programs."

And Mayor Ronald Gillham of Huntington Woods, Michigan, says, "*Every* program is a 'domestic' program, except foreign aid (which) should be a prime source for expenditure reduction. Stop crying and do something."

A large majority of survey respondents supports the concept of privatization — private-sector involvement in the financing, design, construction, ownership, operation and/or delivery of services traditionally provided by the government. Almost 75 percent of respondents favor this idea, with only 16.5 percent opposed, and 9 percent voicing no opinion.

"Private enterprise can usually provide the services cheaper and with more efficiency. Too many times, local gov-

ernments are strangled by laws, paperwork, funding — just plain red tape!" states Peabody, Kansas, clerk Jacobs.

Stephen J. Daily, mayor of Kokomo, Indiana, notes, "Where the private sector can provide the same level of services as the public sector, privatization should be seriously considered."

After years of monopolizing certain services, the cost squeeze in which many local governments find themselves has made public officials more willing to step aside and let the private sector try providing these services — though not without reservations. One mayor fears the private sector would not undertake any venture unless a profit can be assured. As Mayor Chalos points out, the reason government initially got involved was because "the private sector showed it couldn't or wouldn't do it."

Others are concerned that turning over their responsibilities to private enterprise would leave the public "at their mercy," and cautioned that the private sector "tends to get greedy." They say the government would be abdicating its basic responsibilities to the public by allowing others to perform certain services.

Some, like Sacramento Mayor Rudin, are skeptical even in these times of tight budgets and limited resources. "There is little evidence," she notes, "that over the long haul, the private sector does it better or less expensively. Initial promises are always generous, but cost-cutting later may result in lower quality of service."

> ***"Where the private sector can provide the same level of services as the public sector, privatization should be seriously considered."***

Mayor Sonja Margerum of West Lafayette, Indiana, is willing to let private enterprise take over "in a limited way." But, she warns, "It's not always cheaper or better." She also insists that government maintain its control of these services, setting standards and assuring that poorer citizens continue to receive reliable service.

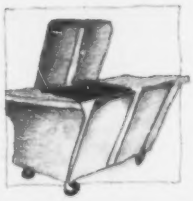
Mayor A.H. McCluskey of Caldwell, Idaho, says private enterprise should take over "only when *obviously* cost-effective," but other respondents stress that factors other than cost should be considered before transferring traditional governmental functions. Such factors as quality, dependability, good management and financial soundness are mentioned, as well as compassion and the human factor involved. Several officials prefer that local governments simply be given the flexibility to operate more efficiently so that they can continue to provide these services, but they admit that circumstances will force them toward privatization.

Nevertheless, many local officials express disenchantment with the way government functions and are enthusiastic about transferring as many activities as feasible. While cost is the primary in-

Can the private sector be expected to provide:

Public transportation?

Yes	No	No Opinion
57.7%	29.6%	12.7%

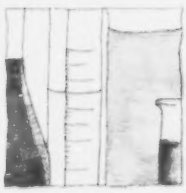


Waste collection & disposal?

Yes	No	No Opinion
73.0%	21.4%	5.6%

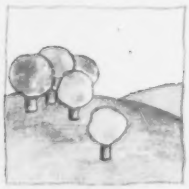
Water supply?

Yes	No	No Opinion
36.3%	51.3%	12.4%



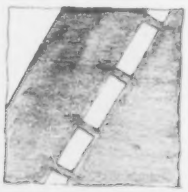
Wastewater treatment & collection?

Yes	No	No Opinion
37.8%	49.1%	13.1%



Parks & recreation services?

Yes	No	No Opinion
31.5%	56.6%	12.0%



Street maintenance?

Yes	No	No Opinion
39.0%	49.4%	11.6%

Health & human services?

Yes	No	No Opinion
50.6%	[illegible]	13.9%

Commentary

Elimination of Deductibility Essential to Tax Reform

By J. Hugh Nichols

President Reagan's tax reform proposal is both essential and in the overall public interest. Though certain elements of the reform package could benefit from fine-tuning, the elimination of state and local tax deductibility is so integral that the proposal cannot survive if that aspect is substantially changed. The temptation is to consider only the elements that might hurt, while ignoring those that are beneficial.

As far as the deductibility of state and local taxes is concerned, the reasons for most objections are more imagined than real. Several points must be considered:

● Is the elimination of deductibility double taxation? No.

Thirty-four states, and the overwhelming majority of local governments, do not permit the deduction of federal taxes against local tax liabilities. Those who raise the issue of double taxation should look first at their own systems and throw no stones if guilty of taxing federal tax payments. In Maryland, both state and local governments do tax federal-income-tax payments. In other words, Maryland state and local governments do charge a "tax on a tax."

● Will the elimination of deductibility hurt the ability of state and local governments to raise revenues? No.

The reported increase in federal tax liability to constituents because of the elimination of state and local tax deductibility must be balanced with the decrease in federal tax liability because of the reduction in rate. There is no such thing as an average taxpayer, but proponents anticipate that approximately 79 percent of those paying taxes will realize a net reduction if the entire tax reform package is adopted. If tax reform leaves more money in the hands of constituents, how will state and local governments suffer in their ability to raise revenues? Taxes, instead of being hidden, will be in the open, and accountability will be more visible.

● Will the elimination of deductibility hurt local bond ratings? No.

Because state and local taxation would be more visible with the elimination of state and local tax deductibility, bond ratings supposedly will decline. This is a judgment call. Ratings analysts in New York question whether and to what degree local governments depend upon hidden revenues and revenues susceptible to the actions of other governmental bodies, especially state and federal governments. The severing of that dependency without loss of revenue base increases local government's ability to control its own revenues and should, therefore, improve its bond ratings.

● Will the elimination of deductibility hurt the delivery of basic public services, such as education, police and fire protection? No.

State and local governments will not directly lose revenue as a result of loss of deductibility. Further, since most federal taxpayers will enjoy a net gain in disposable income despite the elimination of deductibility, state and local governments will have an even greater ability to raise revenue for these services — as long as they are not afraid to be accountable.

● Will the elimination of deductibility adversely affect home ownership — especially for lower-income persons? No.

Since the net increase in disposable income as a result of the tax reform proposal is significantly greater for lower-income persons, the opportunity to purchase a home is actually increased. For example, the reduction of federal taxes with deductibility may have been in the range of $100-$200 annually, while the tax reform proposal without deductibility may reduce federal taxes $300-$400 annually. Actual differences vary depending upon home value and local property-tax rates.

Public officials should weigh the advantages as well as the disadvantages of the tax reform proposal. On balance, the proposal is favorable in the long term because it brings a greater degree of fairness to the system. □

J. Hugh Nichols is county executive of Howard County, Md. This article is based on testimony he gave before the Maryland congressional delegation.

> ***"The federal government should get its act together and ... work within available resources, as local governments must do."***

centive, the delays and excesses caused by extensive regulatory requirements and political obstacles also encourage the move toward privatization.

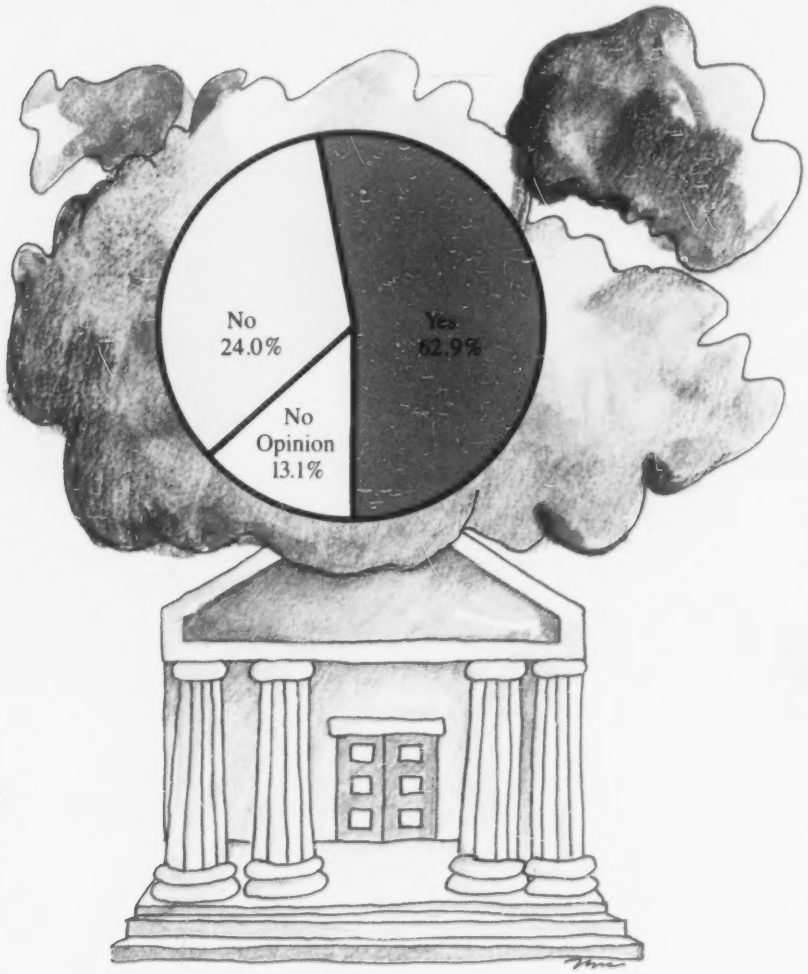
Moreover, the current federal atmosphere lends itself to an easing of the strains between the public and private sectors. Instead of the traditional public-versus-private antagonism, federal emphasis represents an attempt to bring these protagonists together in a mutually beneficial working relationship.

In addition to cost savings, privatization offers many advantages to the public, say Harvey Goldman and Sandra Mokuvos Bellush of Arthur Young & Co., authors of *The Privatization Book*. By shifting to private financing of major public works projects and thus minimizing federal and state involvement, local public officials gain greater freedom in decision-making and greater flexibility in operating their plants. Goldman and Bellush emphasize that privatization does not necessarily mean turning over the entire operation to a private organization, and a local government can provide and control many services without actually performing them. An example is a wastewater treatment plant built with private-sector financing in Loudon, Tennessee, in an impressively short time and at relatively low cost; because it could bypass federal procurement regulations and share the extensive tax benefits received, the private firm was able to charge lower user fees as well.

While the general concept of privatization receives widespread support from those polled — and a few are eager to privatize everything on the list — many disagree over specific services that should be transferred to the private sphere. Perhaps because it has been transferred with the most frequency and success, solid-waste collection and disposal are approved by 73 percent as the most acceptable area for private activity. The proven success of this function is cited as the basis for extending private participation to other governmental operations.

Conversely, the respondents are most

Do you favor the formation of a national infrastructure loan program to provide low interest loans for state and local governments?



reluctant (only 31.5 percent for, with 56.6 percent against) to allow parks and recreation activities to be operated privately. Apprehensions about the priorities of private business — profit-making and cost-effectiveness — lead some to believe recreational activities would be priced out of the reach of many potential participants. Respondents also describe as unrealistic expectations that these services can be operated as self-supporting enterprises.

As many as 50 percent of respondents favor the transfer of health and human service functions to private control, but 35 percent oppose it, and 13.9 percent have no opinion — the highest "no opinion" answer in the survey, possibly indicating that this area has not been mentioned frequently as a candidate for privatization.

Other activities listed in the survey for potential privatization are approved at the following rates: public transportation, 57.7 percent; street maintenance, 39 percent; wastewater treatment, 37.8 percent; and water supply, 36.3 percent. Thus, no unanimous support for privatization of any specific governmental function is evident; each community wants to retain the freedom and flexibility to determine which ones best suit its particular needs.

Infrastructure financing

Last year's survey indicated that local government's highest priority was the renewal and maintenance of the infrastructure, defined by economist Pat Choate as "the critical public works that underpin the American economy and provide most community services." This year, however, the focus is on funding in general, with particular emphasis on the adequacy of revenues to sustain basic operations. "Deficit" may have replaced "infrastructure" as the buzzword of the year, but the infrastructure problem has not moved much closer to resolution.

Since the problem was brought to public attention at the beginning of the decade, a number of measures have been proposed at both the federal and state levels. For a variety of reasons, however, few have actually been passed and implemented. The National Infrastructure Act, which would provide $3 billion a year in interest-free loans to state and local governments, was introduced by Rep. James Howard of New Jersey almost two years ago, but has yet to get beyond the hearing stage. Almost 63 percent of respondents in the survey support this program or some similar version. Mayor Wilce Cooke of Benton Harbor, Michigan, predicts: "Infrastructure repair will be the salient national problem of the 1990s."

Strong support is expressed everywhere except the Southwest, where a two-to-one majority is registered against the concept of federally established infrastructure banks. Many of those from the rest of the country who express opposition to the program say they are afraid that the Southwest would be favored over other regions to receive these loans.

Although infrastructure improvement has been mentioned as an ideal place for implementation of the public/private partnership concept, many local governments are totally without resources even to initiate undertakings of such magnitude. This is especially true in smaller, older communities where the need is often most acute but where even a loan program may not be adequate to meet the need. Casting a vote in favor of the program is Mayor Earl Wintle of Red Bluff, California, who, however, adds that "loans need repayment, which is difficult."

Authorities on all points of the political and economic spectrum maintain this is an area where federal responsibility and participation cannot be denied. The National Infrastructure Advisory Committee to the Joint Economic Committee of Congress, comprised of highly placed members of the public and private communities, concludes that the problem "requires state and local governments to continue to assume primary management and funding responsibilities," and that "long-term response and commitment by the federal government" are necessary.

Another group, the U.S. Special Private Sector Advisory Panel of the Senate Budget Committee on Infrastructure Financing, urges revisions in the tax structure to encourage private investment in infrastructure financing, but points out, "Financial resources for infrastructure investment will be generated more easily if public expenditures leverage private spending."

Survey objections to the establishment of a national infrastructure loan program are based primarily on the view that the federal government should not undertake more new programs now,

Can increased dependence on user fees offset the proposed cuts in federal funding for domestic programs?

Yes	No	No Opinion
37.5%	50.9%	11.6%

and concern that it would develop into just one more bureaucracy to harass local governments.

Almost 66 percent of respondents nationwide say they will have to raise local taxes to make up for federal losses. But in the West, where California is precluded by state law from increasing local taxes, only 50 percent indicate they will have to seek local tax increases. Several other states face situations similar to that of California. G. Roland Williams, village administrator of Groveport, Ohio, notes that his municipality will not have to raise taxes "only because our industrial and commercial development is growing considerably."

Another tax reform proposal by the Reagan administration would limit the tax advantages of industrial revenue bonds, which are designed to encourage investment in private development projects to create jobs and stimulate the local economies. Of those surveyed, 67.4 percent claim this proposal would limit the growth potential of their municipalities. As Mayor Cooke explains, "Cities would lose their leverage of tax incentives to entice business to locate in their areas or to retain businesses."

Mayor Ted Reed of Victoria, Texas, points out that when tax advantages are limited, municipalities "will have to pay higher interest (rates) ... to attract buyers (for their bonds)."

Increasing user fees for various local services cannot offset proposed cuts in federal funding, state more than 50 percent of survey respondents. In order to cover the cost of rendering these services without federal subsidy, the fees would have to be so high as to price many users out of the market. Others insist user fees are just another tax in a different form. User fees "would be a disservice to the citizens who would still have to pay the bill," remarks James A. Brundahl, mayor of Wauwatosa, Wisconsin.

Kokomo Mayor Daily explains, "User fees for services formerly provided by federal revenues ... still force the constituent to pay more for local services while seeing less and less value returned for federal tax dollars."

However, as many as 37.5 percent say raising user fees can be an effective way to maintain service, and 11.6 percent have no opinion.

A total of 61 percent of those surveyed agree that local governments should provide "comparable worth" pay scales for male and female dominated jobs requiring comparable skills. That is, they favor comparable worth pay in principle, but almost everyone has doubts about the methods and effects of implementation. Oscar Brownell, mayor of Seal Beach, California, supports the concept, but points out, "Application of this principle creates too many disrupting disputes. How do you determine 'comparable skills' that are acceptable to all?"

But Mayor John T. Craig of Grand Rapids, Minnesota, says his city is preparing a comparable worth plan for implementation in 1986.

Many of the survey's responses reflect the confusion that prevails when "comparable worth" is mentioned. Typical comments include: "Pay scales are set by the job now"; "why would anyone want to pay more than the agreed-upon price?"; "the marketplace should determine the pay scales for all"; "equal pay for equal work seems fair"; "if a job can be done by either sex, the pay should be the same." One official opposing "comparable worth" nevertheless adds, "Pay should be based on effort, skills and talent required. Sex should be ignored."

Balancing the local budget has always been a concern of local public officials, but in this "year of the deficit" — when the total withdrawal of federal revenue sharing is a reality that must be faced, when some kind of tax reform measures affecting cities are inevitable, when spending for all domestic programs is being slashed — local officials are avidly seeking ways to make the most of whatever resources they have. Privatization, user fees, increased taxes, volunteerism and other methods are being explored as the federal government attempts to extricate itself from local involvement.

Although many of those surveyed express a certain amount of satisfaction at getting the federal government out of local affairs, most recognize that the federal government cannot completely turn its back on the local governments that form the foundation of this country. Public/private partnerships may be an idea whose time has come, but the task is too massive to allow the federal/local partnership to dissolve, they say. Again and again, survey respondents voice the conclusion that federal involvement at some level — albeit reduced — must be continued if the local municipalities of this country — large and small, old and new, affluent and impoverished — are to survive and flourish into the 21st century. □

MUNICIPAL COST INDEXES

The **Municipal Cost Index** fell 0.3 percent to 336.0, due to marked declines of nearly two points each for the **Construction Cost Index** and **Producer Price Index**.

The **Consumer Price Index**, which has been climbing steadily since March, once again moves up — by 0.2 percent to 323.5, or 3.4 percent for the year. In this month's marketbasket, flow instruments increased by a whopping 134 percent for the month to 232.5. Other commodities displaying sizable increases are glass, residual fuel and industrial chemicals. Conversely, lumber, gasoline, LP gas and diesel fuel all decreased significantly. □

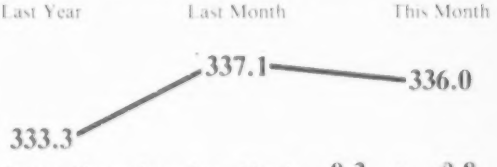
—Terri Stone

THIS MONTH'S MARKETBASKET

	Current Index	Percent Change From: Last Month	Last Year
Air Conditioners	147.5	0.1	1.9
Apparel	183.6	0.4	3.2
Asphalt Roofing	408.3	-0.8	0.0
Books	132.8	0.4	4.2
Chemicals, Industrial	340.7	1.1	-0.1
Coal	546.7	0.0	-0.6
Concrete Products	322.7	0.5	3.7
Construction Machinery	362.5	0.1	1.6
Diesel Fuel	592.2	-2.4	-12.4
Electric Components	197.6	0.1	1.7
Electric Lamps	344.6	0.1	4.0
Electric Power	463.7	-0.3	1.5
Engines, I.C.	347.2	0.0	3.0
Fans, Blowers	359.7	0.0	2.4
Fertilizers, Mixed	259.6	0.4	-2.9
Floor Coverings	191.4	0.1	-0.6
Flow Instruments	232.5	134	N/A
Footwear	258.5	0.5	3.0
Foundry Products	364.3	0.2	0.4
Fuel Oil No. 2	604.2	-0.8	-14.1
Furniture	309.3	0.2	3.7
Gasoline	575.2	-2.2	3.8
Generator Sets	351.2	-0.2	3.2
Glass	226.4	1.6	3.1
Glass Containers	381.5	0.8	4.2
Gypsum Products	338.1	-0.1	-6.0
Hardware	306.1	0.3	2.7
Heating Equipment	261.1	0.2	2.2
HVAC Controls	125.9	-1.2	0.5
LP Gas	508.1	-2.4	-13.1
Lubricants	369.3	0.3	0.2
Lumber	342.4	-3.5	N/A
Metal Fabrications	315.1	0.2	0.9
Millwork	313.9	0.0	2.2
Motor Vehicle Parts	356.7	0.6	0.8
Mowers	261.5	-0.1	0.7
Natural Gas	1363.2	-1.4	-6.6
Office Machines	154.9	0.0	0.8
Paint	277.1	-0.5	0.3
Paper	303.7	-0.1	-1.1
Passenger Cars	227.9	0.4	3.5
Plumbing Fixtures	313.5	0.1	2.9
Plywood	237.8	0.1	-3.3
Portland Cement	361.1	-0.3	1.5
Residual Fuel	930.2	3.3	-17.3
Sand, Gravel	311.0	0.4	4.6
Sanitary Papers	380.1	0.9	3.5
Soaps, Detergents	274.6	0.4	2.7
Sporting Goods	202.7	0.0	-1.1
Steel Mill Products	365.7	-0.1	-0.7
Struc. Clay Products	296.8	0.3	3.0
Switchgear	278.0	0.1	-0.1
Tires, Tubes	236.7	-0.7	-2.9
Transformers	232.3	0.5	1.3
Trucks	333.3	0.0	0.7
Valves	104.9	0.0	2.2
Wire, Cable	205.5	0.7	1.6
Wiring Devices	361.7	0.2	1.6

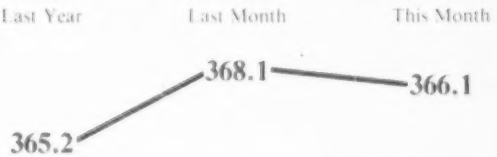
At-A-Glance Changes

MUNICIPAL COST INDEX



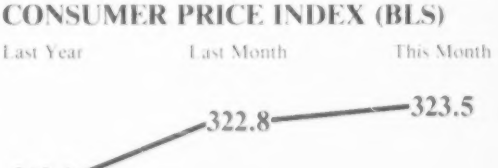
Percent Change From Last: Month -0.3 Year 0.8

CONSTRUCTION COST INDEX



Percent Change From Last: Month -0.5 Year 0.2

CONSUMER PRICE INDEX (BLS)



Percent Change From Last: Month 0.2 Year 3.4

PRODUCER PRICE INDEX (BLS)

Percent Change From Last: Month -0.6 Year -1.2

QUARTERLY MUNICIPAL TRENDS

	Current Level	Percent Change From: Last Qtr.	Last Year
Receipts	557.9B	2.3	7.2
Federal Grants	98.1B	3.2	5.3
Durable Purchases	14.7B	1.4	5.8
Consumables	38.2B	1.9	7.6
Services	375.0B	2.1	8.4
Structures	44.1B	-3.5	6.5
Salaries, Wages	273.3B	2.6	7.8
Surplus	50.6B	-5.8	-7.2
Employment	13.374M	0.4	1.7